AUTOMOTIVE AXLES LIMITED

26th May, 2020

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 505010

National Stock Exchange Limited
Exchange Plaza, Plot No. C/1, G- Block
Bandra (E)
Mumbai - 400 051
Scrip Code: AUTOAXLES

Attn: Listing Department

Dear Sir/Madam,

Sub: Outcome of Board Meeting held on 26th May, 2020 (today) and disclosure under SEBI (LODR) Regulations, 2015

We wish to inform you that Board of Directors of the Company at their meeting held today i.e., 26th May, 2020, inter alia, have approved the following:

1. Pursuant to **Regulation 33**, we hereby submit the below:

   a. Audited Financial Results for the year ended on 31st March, 2020 which was reviewed by the Audit Committee, considered and approved by the Board at their meeting held on 26th May, 2020.
   b. Audited results for the Quarter ended March 31, 2020
   c. Declaration for Unmodified Opinion in terms of Regulation 33(3)(d) as amended by SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

2. We hereby intimate that the Board has recommended a dividend of Rs. 0.80 /- per share of Rs.10/- each for the Financial Year 2019-20, subject to the approval of the shareholders of the Company at the ensuing Annual General Meeting.

The meeting commenced at 10.00 AM (IST) and concluded at 12.30PM.

This is for your information and record.

Thanking you,

Yours Truly,

For Automotive Axles Limited

AUTOMOTIVE AXLES LIMITED MYSURU

Debadas Panda
Company Secretary

Encl : As above

Regd. Office & Mysuru Unit :
Hootagalli Industrial Area, Off Hunsur Road, Mysuru – 570 018, Karnataka, India
Telephone : 91-821-719 7500, Fax : 91-821-2402451
Email : sec@autoaxle.com, Website : www.autoaxle.com
CIN : L51909KA1981PLC004198
ISO 9001:2015 / IATF 16949 : 2016, EMS ISO 14001:2015 & BS OHSAS 18001:2007

KALYANI MERITOR

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

12th Floor
"UB City" Canberra Block
No. 24, Vittal Mallya Road
Bengaluru - 560 001, India
Tel : +91 80 6648 9000

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
Automotive Axles Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of Automotive Axles Limited (the "Company") for the quarter ended March 31, 2020 and for the year ended March 31, 2020 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2020 and for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 7 of the Financial Results, describing that the Pandemic COVID 19 would cause various social and economic disruption impacting supply chains, consumer demand, commodity prices, personnel available for work and access to offices of the Company. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the

Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

S.R. Batliboi & Associates LLP
Bengaluru

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The Statement includes the results for the quarter ended March 31, 2020 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2020 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

Rajeev Kumar

S.R. Batliboi & Associates LLP
Bengaluru

per Rajeev Kumar
Partner
Membership No.: 213803

UDIN: 20213803AAAABL3353

Place: Bengaluru
Date: May 26, 2020

AUTOMOTIVE AXLES LIMITED

(TS 16949 Company)

Regd. Office : Hootagalli Industrial Area, Off Hunsur Road, Mysuru 570 018

CIN : L51909KA1981PLC004198

Statement of audited Financial Results for the quarter and year ended March 31, 2020

(Amount in Rupees Millions, except per share data)

		Particulars	For the three months ended			For the year ended	
			31.03.2020 (Audited) (note 8)	31.12.2019 (Unaudited)	31.03.2019 (Audited) (note 8)	31.03.2020 (Audited)	31.03.2019 (Audited)
I		Revenue from operations	1,687.57	1,647.06	4,810.94	9,519.58	19,390.42
II		Other income	24.63	18.06	4.70	77.23	29.60
III		**Total income (I + II)**	**1,712.20**	**1,665.12**	**4,815.64**	**9,596.81**	**19,420.02**
IV		**Expenses**					
	a)	Cost of raw materials consumed	954.90	989.98	2,918.86	6,266.66	13,796.11
	b)	Changes in inventories of finished goods, stock-in-trade and work-in-progress	179.49	110.21	482.02	188.91	(347.53)
	c)	Employee benefits expense	186.08	174.86	291.66	890.90	1,235.14
	d)	Finance costs	4.48	7.06	0.13	18.07	5.49
	e)	Depreciation and amortisation expense	96.28	90.89	99.97	372.22	461.86
	f)	Other expenses	239.17	224.23	533.21	1,240.27	2,415.84
		Total Expenses	**1,660.40**	**1,597.23**	**4,325.85**	**8,977.03**	**17,566.91**
V		**Profit before Exceptional Items and Tax (III - IV)**	**51.80**	**67.89**	**489.79**	**619.78**	**1,853.11**
VI		**Exceptional Items - Income / (Loss) (Refer note 5)**	-	-	-	(20.24)	-
VII		**Profit before tax (V - VI)**	**51.80**	**67.89**	**489.79**	**599.54**	**1,853.11**
VIII		**Tax expense: (Refer note 6)**					
	a)	Current tax / (credit)	(11.38)	2.97	186.70	147.13	711.40
	b)	Income tax relating to prior years	(11.82)	-	-	(11.82)	-
	c)	Deferred tax charge / (credit)	17.49	19.67	3.55	52.89	(73.79)
		Tax expense, net	**(5.71)**	**22.64**	**190.25**	**188.20**	**637.61**
IX		**Profit for the period / year (VII - VIII)**	**57.51**	**45.25**	**299.54**	**411.34**	**1,215.50**
X		**Other comprehensive income**					
	a)	Items that will not be reclassified to profit or loss					
		i) Remeasurements gains/(loss) of the defined benefit plan	(1.86)	(0.80)	(8.47)	(6.73)	(43.82)
		ii) Tax on remeasurements of the defined benefit plan	0.14	0.20	2.95	1.69	15.31
		Total other comprehensive income	**(1.72)**	**(0.60)**	**(5.52)**	**(5.04)**	**(28.51)**
XI		**Total comprehensive income for the period /year, net of tax (IX + X)**	**55.79**	**44.65**	**294.02**	**406.30**	**1,186.99**
XII		**Paid up share capital (face value of Rs. 10/- each)**	**151.12**	**151.12**	**151.12**	**151.12**	**151.12**
XII		**Earnings per equity share (EPS) (Nominal value of share Rs. 10) (Not annualised in case of interim periods)**					
		Basic / Diluted	3.81	2.99	19.82	27.22	80.43

AUTOMOTIVE AXLES LIMITED ★ MYSURU

AUTOMOTIVE AXLES LIMITED

(TS 16949 Company)

Regd. Office : Hootagalli Industrial Area, Off Hunsur Road, Mysuru 570 018

CIN : L51909KA1981PLC004198

Statement of audited Financial Results for the quarter and year ended March 31, 2020

Audited Balance Sheet as at 31.03.2020

(Rs. In Millions)

	Particulars	As at 31.03.2020	As at 31.03.2019
A.	**ASSETS**		
I	**Non-current assets**		
	Property, plant and equipment	2,307.23	1,084.59
	Capital work in progress	240.64	1,154.96
	Intangible assets	6.08	3.86
	Right-of-use assets	240.37	-
	Financial assets		
	Loans	67.50	20.24
	Other financial assets	151.11	38.77
	Other non-current assets	77.28	445.52
	Deferred tax assets, net	100.42	147.98
		3,190.63	**2,895.92**
II	**Current assets**		
	Inventories	1,560.03	1,843.70
	Financial assets		
	Loans	43.67	63.71
	Trade receivables	1,227.33	3,463.28
	Cash and cash equivalents	737.34	397.41
	Other bank balances	2.71	2.47
	Other financial assets	97.36	244.12
	Other current assets	425.83	422.11
		4,094.27	**6,436.80**
	Total assets (I + II)	**7,284.90**	**9,332.72**
B.	**EQUITY AND LIABILITIES**		
III	**Equity**		
	Equity share capital	151.12	151.12
	Other equity	5,168.25	5,233.28
	Total equity	**5,319.37**	**5,384.40**
IV	**Liabilities**		
	Non-current liabilities		
	Financial liabilities		
	Borrowings	187.50	659.03
	Lease Liabilities	107.41	-
	Other non-current liabilities	-	6.78
	Provisions	87.02	70.01
		381.93	**735.82**
	Current liabilities		
	Financial liabilities		
	Lease Liabilities	16.58	-
	Trade payables		
	(A) Total outstanding dues of micro enterprises and small enterprises	34.76	119.18
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,110.85	2,460.35
	Other financial liabilities	183.12	182.01
	Other current liabilities	45.58	243.49
	Provisions	166.59	169.78
	Current tax liabilities (net)	26.12	37.69
		1,583.60	**3,212.50**
	Total liabilities	**1,965.53**	**3,948.32**
	Total Equity and Liabilities (III + IV)	**7,284.90**	**9,332.72**

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Statement of audited Financial Results for the quarter and year ended March 31, 2020

Statement of cash flows **(Amounts in Rupees Millions)**

	Particulars	For the year ended	
		31.03.2020	31.03.2019
		(Audited)	(Audited)
I	**Operating activities**		
	Profit before tax	599.54	1,853.11
	Non-cash adjustments to reconcile profit before tax to net cash flows:		
	Depreciation of property, plant and equipment and right-of-use assets	349.11	460.16
	Amortisation of intangible assets	23.11	1.70
	Gain on disposal of property, plant and equipment, net	(7.73)	(1.52)
	Provision for doubtful trade receivables/advances (net)	-	0.44
	Exceptional Items (Refer Note 5)	20.24	-
	Provision for warranty	38.84	149.97
	Finance costs (including fair value changs in financial instruments)	17.89	4.03
	Finance income (including fair value changes in financial instruments)	(56.61)	(26.01)
	Operating profit before working capital adjustments	984.39	2,441.88
	Working capital adjustments :		
	(Increase)/ decrease in trade receivables	2,235.95	(117.48)
	(Increase)/ decrease in loans	(0.58)	1.63
	(Increase)/ decrease in other financial assets	148.02	(95.24)
	(Increase)/ decrease in other assets	69.98	(12.88)
	(Increase)/ decrease in inventories	283.67	(472.76)
	Increase/ (decrease) in trade payables	(1,433.92)	17.53
	Increase/ (decrease) in other liabilities	(197.91)	50.70
	Increase/ (decrease) in other financial liabilities	67.03	(0.43)
	Increase/ (decrease) in provisions	(31.75)	(60.23)
		2,124.88	1,752.72
	Income tax paid (net of refund)	(146.88)	(696.63)
	Net cash flows from operating activities	1,978.00	1,056.09
II	**Investing activities**		
	Purchase of property, plant and equipment and right-of-use assets	(629.40)	(1,524.62)
	Proceeds from sale of property, plant and equipment	12.88	6.53
	Loans given to suppliers	(49.68)	(94.20)
	Loans repaid by suppliers	23.04	15.46
	Interest received	54.03	25.74
	Net cash flows used in investing activities	(589.13)	(1,571.09)
III	**Financing activities**		
	Proceeds from borrowings	-	730.00
	Repayment of borrowings	(500.83)	-
	Interest paid	(68.54)	(13.84)
	Payment of principal portion of lease liabilities	(15.00)	-
	Dividend paid to equity holders	(385.36)	(204.00)
	Dividend distribution tax	(79.21)	(41.94)
	Net cash flows (used in) / from financing activities	(1,048.94)	470.22
IV	**Net increase in cash and cash equivalents (I + II + III)**	339.93	(44.78)
	Cash and cash equivalents at the beginning of the year	397.41	442.19
V	**Cash and cash equivalents at the end of the year**	737.34	397.41
	Components of cash and cash equivalents as at the end of the year		
	Cash on hand	0.03	0.07
	Balances with banks		
	- in current accounts	77.31	397.34
	- in deposit accounts with original maturity of less than three months	660.00	-
	Total cash and cash equivalents	737.34	397.41

AUTOMOTIVE AXLES LIMITED ★ MYSURU

AUTOMOTIVE AXLES LIMITED
(TS 16949 Company)
Regd. Office : Hootagalli Industrial Area, Off Hunsur Road, Mysuru 570 018
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Statement of audited Financial Results for the quarter and year ended March 31, 2020

Notes:

1 The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors at the meetings held on May 26, 2020.

2 These financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 as amended, read with the relevant rules issued thereunder and in terms of Regulations 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

3 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of INR 113.12 million, and a lease liability of INR 130.30 million. The cumulative effect of applying the standard resulted in INR 6.76 million being debited to retained earnings, net of taxes. In the statement of profit and loss for the current period, operating lease expenses have changed from rent to depreciation cost for the right-of-use assets and finance cost for interest accrued on lease liability. The effect of this adoption is insignificant on the profit before tax, profit for the period/ year and earnings per share.

4 Segment information:
In line with the provisions of Ind AS 108 - Operating Segments, Chief Operating Decision Maker (CODM) reviews the operations of the Company as a manufacturer of Automotive Components, which is considered to be the only reportable segment by the management. Accordingly, no separate disclosure of segment information has been made.

5 Pursuant to an agreement between the Company and the Government of Madhya Pradesh ('Government'), on September 2012, the Company had taken a land on lease at Pithampur, Madhya Pradesh, for setting up a manufacturing unit and paid an upfront premium of INR 97 million (including a stamp duty of INR 20.24 million). The Company has applied to the Government for surrender of the land due to non-utilisation of the land. In accordance with the Agreement, a surrender charge of 50% of upfront premium paid is applicable on surrender of the land.

On July 25, 2019, the Company has entered into another agreement with the Government for acquisition of another land for 99 years for a consideration of INR 124.86 million. As per the communication from the Government, the Company has remitted INR 88.81 million and the balance amount payable of INR 36.05 million has been adjusted against the amount recoverable on surrender of the existing leasehold land. With respect to the balance amount of INR 37.95 million recoverable, in respect of the earlier land, from the government, the management basis its ongoing discussion with the government is confident of receiving the refund. Further, during the quarter ended June 30, 2019, the Company has provided for the initial registration and stamp duty charges, paid towards acquisition of the land amounting to INR 20.24 million.

6 The Company has exercised the option of availing the lower tax rate available under Section 115BAA of the Income Tax Act, 1961, as introduced by Taxation Laws (Amendment) Ordinance, 2019, with effect from AY 2020-21, thereby lowering the tax rate from 34.944% to 25.168% effective April 01, 2019. Accordingly, the Company has provided for income taxes for the year ended March 31, 2020 and re-measured the accumulated balance of deferred tax assets as at March 31, 2019, based on the rate prescribed under the aforesaid Section. The resultant impact has been taken through the statement of profit and loss. The re-measurement of accumulated deferred tax assets has resulted in a one-time additional deferred tax charge of INR 42.06 million for the quarter ended September 30, 2019 and year ended March 31, 2020.

7 The outbreak of Coronavirus disease (COVID-19) has significantly impacted businesses around the globe and has been recognized as a global pandemic by the World Health Organisation (WHO). The various Governments across the world including India are taking drastic measures, including locking down of entire country to reduce the impact of this catastrophe. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying value of property, plant and equipment, inventories, receivables and other assets considering internal and external information up to the date of approval of these financial statements. The impact of global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

7A. We have complied with all statutory requirements on COVID-19 compliances and followed all required guidelines of Central & state government.

8 The figures of last quarter of current and previous year are the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures of nine months of respective year.

9 The Board of Directors, by way of Circular Resolution, passed on March 2, 2020 approved payment of interim dividend for the financial year 2019-20 of Rs. 6/- per equity share of Rs. 10 each (60%).

10 The Board of Directors, at its meeting held on May 26, 2020 has recommended final dividend of Rs. ___ per equity share of Rs. 10 each (____%).

For and on behalf of the Board of Directors

Kumaradevan Srinivasan
Senior Vice President & Whole time Director
DIN: 08107660

Place : Mysuru
Date : May 26, 2020

AUTOMOTIVE AXLES LIMITED MYSURU

Joint Venture between

KALYANI

MERITOR

AUTOMOTIVE AXLES LIMITED

26th May, 2020

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 505010

National Stock Exchange Limited
Exchange Plaza, Plot No. C/1, G- Block
Bandra (E)
Mumbai - 400 051
Scrip Code: AUTOAXLES

Dear Sirs,

Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Audit Report with Unmodified Opinion for the Financial year ended March 31, 2020 issued by the Statutory Auditor of the Company.

Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby declare that the Statutory Auditors of the Company, S R Batliboi & Associates LLP, Chartered Accountants, have issued the Audit Report with Unmodified opinion on the Audited Financial Results of the Company for the year ended March 31, 2020

Kindly take the same on record.

Thanking you,

Yours faithfully,
For Automotive Axles Limited

AUTOMOTIVE AXLES LIMITED MYSURU

Debadas Panda
Company Secretary

Regd. Office & Mysuru Unit :
Hootagalli Industrial Area, Off Hunsur Road, Mysuru – 570 018, Karnataka, India
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KALYANI

MERITOR